(c) to (e) The Government is keeping a close watch on the evolving economic situation and will take such steps as may be needed to maintain the pace of economic activity.

Recommendations of Joint Parliamentary Committee on the 1992 stocks scam

2382. DR. T. SUBBARAMI REDDY:
SHRI VIJAY JAWAHARLAL DARDA:

Will the PRIME MINISTER be pleased to state:

(a) whether Government has been slow in taking action on the recommendations of the Joint Parliamentary Committee set to inquire into 1992 stocks scam;

(b) if so, whether the Committee had made 276 recommendations;

(c) if so, what were the main reasons of delaying actions on these recommendations;

(d) to what extent the delay in implementation of the recommendations has affected stock exchanges; and

(e) if so, what are the steps now being taken to implement all the recommendations of the Committee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (e) The Joint Parliamentary Committee (JPC) set up to inquire in to 1992 Stocks scam had made 273 individual items of observations/conclusions/recommendations in which Government's response to 147 recommendations was presented to the Parliament in Dec 1994. The action in respect of certain recommendations was long drawn by its very nature such as those involving amendment to Acts, action against institutions involved in the irregularities etc. Action in regard to some recommendations was of continuous nature such as improvement in supervision and control over banks/FIs, improvement in the internal control in banks/FIs, toning of vigilance machinery in banks etc.

The recommendations/implementations of 1992 JPC report were also considered by the Joint Parliamentary Committee set up in the year 2002 to inquire into 2001 Stock market scam and matters relating thereto. The irregularities brought out in the JPC reports on the 2001 scam did not reveal any systemic weaknesses but occurred basically due to violation of RBI norms and involved transactions of fraudulent nature by a few private/co-operative banks.

Foreign Exchange Reserves

2383. DR. V. MAITREYAN: Will the PRIME MINISTER be pleased to state:

(a) the present level of Foreign Exchange Reserves in the country;

(b) what is this level as compared to the last three financial years;

(c) what is the main reason for the shortfall in the foreign exchange reserves; and

(d) the steps being taken to improve the foreign exchange reserves to a comfortable position?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The foreign exchange reserves (including gold, SDRs and Reserve Tranche Position in IMF) stood at US $ 245.9 billion as on December 5, 2008.

(b) The data on foreign exchange reserves for the last three years from 2005-06 to 2007-08 are furnished in the Table given below:

Foreign Exchange Reserves for the years 2005-06 to 2007-08

(in US $ million)

Data	Total Reserves
At end March 2006	151,622
At end March 2007	199,179
At end March 2008	309,723
As on December 5, 2008	245,857

(c) The level of forex reserves is largely the outcome of the Reserve Bank's intervention in the foreign exchange market to smoothen exchange rate volatility and valuation changes due to movement of US dollar against other major currencies of the world.

(d) Foreign exchange reserves are accumulated when there is an absorption of the excess foreign exchange flows by the RBI through intervention in the foreign exchange market and vice versa. The present level of foreign exchange reserves is adequate to meet emerging balance of payments situation in the short to medium term. A slew of measures have been taken to improve foreign exchange inflows, which *Inter alia* include:

(i) The interest rate ceilings on FCNR (B) and NR(E) RA term deposits were raised to LIBOR/Swap rates plus 100 basis points and 175 basis points respectively, so as to attract more foreign currency deposits from NRIs.

(ii) External Commercial Borrowings (ECBs) up to US $ 500 million per borrower per financial year were permitted for rupee expenditure and / or foreign currency expenditure for permissible end uses under the automatic route.

(iii) The all-in-cost ceiling for ECBs for average maturity period of 3 years and up to 5 years has been enhanced to 300 basis points above LIBOR and to 500 basis points above LIBOR for ECBs over 5 years.

(iv) The all-in-cost ceiling for trade credit of less than 3 years was enhanced to 6 months LIBOR plus 200 basis points.

Annual rate of growth of GDP

2384. SHRI S.S. AHLUWALIA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the annual rate of growth of Gross Domestic Product (GDP) for the current year has been revised;